



STATE OF IOWA

CHESTER J. CULVER, GOVERNOR
PATTY JUDGE, LT. GOVERNOR

DEPARTMENT OF HUMAN SERVICES
CHARLES J. KROGMEIER, DIRECTOR

INFORMATIONAL LETTER NO. 927

DATE: July 26, 2010

TO: Iowa Medicaid Remedial Services Providers

ISSUED BY: Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

RE: 110% Average Allowable Cost

In Accordance with Section 441 of the Iowa Administrative Code, Chapter 79.1(23)(C)(1), reimbursement of the Remedial Services Program is limited to 110 percent of the average allowable costs reported by Iowa Medicaid providers for providing similar remedial services to members who have similar diagnoses and live in similar settings.

On October 8, 2009, Governor Culver issued Executive Order 19 which mandated a 10 percent across-the-board cut in state government spending. As a result, the Department of Human Services enacted rule changes as part of the effort to achieve the savings required in the executive order. These rule changes reduced the Remedial Services rate maximums to 95 percent.

Maximum rates will be adjusted July 1st of each year, using the most recent cost reports finalized by the IME as of June 30th. The following maximum rates have been calculated using the statewide weighted average from the most recent cost reports finalized by the IME as of June 30, 2010 and inflated using the US Consumer Price Index – All Urban Consumers (CPI-U) for the 24 months ended June 30, 2010. These rates will be effective for cost report periods ending in provider fiscal year 2011.

Code	Description	Limit	Limit Less 5%
96152	Health and Behavior Intervention - Individual	\$ 23.03	\$ 21.88
96153	Health and Behavior Intervention - Group	\$ 5.86	\$ 5.56
96154	Health and Behavior Intervention - Family	\$ 22.56	\$ 21.43
H0037	Community Psychiatric Supportive Treatment	\$ 71.85	\$ 68.26
H2001	Rehabilitation Program	\$ 78.98	\$ 75.03
H2011	Crisis Intervention	\$ 22.24	\$ 21.12
H2014	Skills Training and Development	\$ 18.84	\$ 17.90

These rate maximums will be implemented as cost reports are reviewed for cost settlement.

Should you have any questions, please contact the IME Provider Cost Audit and Rate Setting Unit at 515-256-4610 or (866) 863-8610, or via email at costaudit@dhs.state.ia.us.